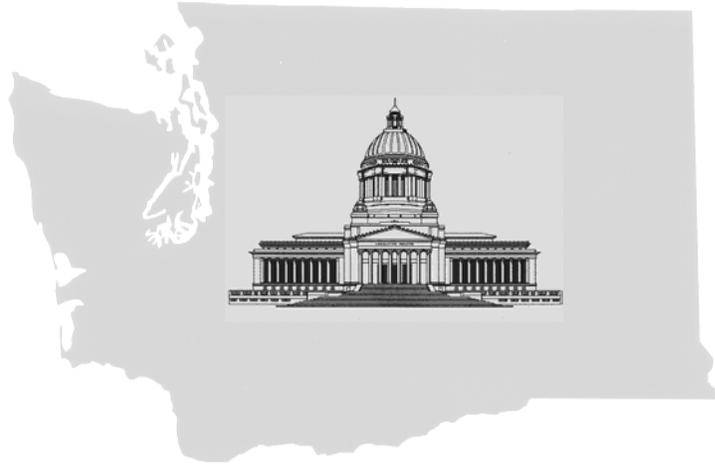


**State of Washington
Joint Legislative Audit and Review Committee (JLARC)**



**Division of Child Support (DCS)
Performance Audit**

Report 00-3

June 28, 2000

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in alternative formats for persons with disabilities.*

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**DIVISION OF CHILD
SUPPORT (DCS)
PERFORMANCE AUDIT**

REPORT 00-3

REPORT DIGEST

JUNE 28, 2000



STATE OF WASHINGTON

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DIVISION OF CHILD SUPPORT (DCS) PERFORMANCE AUDIT

This study was an initiative of the Joint Legislative Audit and Review Committee in response to legislative interest in the performance and funding of Washington's child support program. The Division of Child Support (DCS), within the Economic Services Administration of the Washington State Department of Social and Health Services (DSHS), provides child support services to custodial parents who are current or former recipients of public assistance, and to anyone who requests such services.

The mission of DCS is "to improve the lives of children and benefit families and taxpayers by providing quality child support services in a fair and fiscally responsible manner." The child support program is centrally administered and services are provided at no cost to parents through nine DCS field offices. Services include locating non-custodial parents; establishing paternity; establishing, reviewing, and modifying financial and medical support orders; collecting current and past due child support; enforcing medical support obligations; collecting child support across interstate lines; and processing payments.

MAJOR FINDINGS

1. State programs for providing child support services are primarily governed by Title IV-D of the Social Security Act of 1974 and other subsequent federal acts. The Division's mission, goals, objectives, and operations are consistent with state legislative intent and requirements of the federal Office of Child Support Enforcement. Further, we did not find any examples of Division activities or services that extend beyond legislative intent or federal requirements.
2. Washington's child support program has a good reputation among its peers. DCS has been proactive in participating in pilot projects, establishing a state child support registry, computerizing many routine functions and forms, and identifying ways to improve activities and services.
3. The Division is facing new challenges that have fiscal and case management implications. The primary challenges are:
 - Changes in child support caseload profile – Washington's successful welfare reform has meant a decline in public assistance cases, which reduces the state's federal incentive payments.
 - A shift in focus from collections to the broader scope of providing child support-related services (e.g., paternity establishment, medical support collection, and programs for non-custodial parents) – This is reflected in the use of non-financial performance measures by the federal Office of Child Support Enforcement for awarding incentive payments to states.
 - Coordination with Washington's WorkFirst and Welfare-to-Work programs – The purpose of such coordination efforts is to allow integrated services (e.g., assistance in employment and training) to both custodial and non-custodial parents through statewide Community Services Offices.

4. Washington's child support program is driven primarily by federal mandates, and much of its focus is on meeting those mandates. However, these federal mandates are not sufficient in themselves for addressing policymakers' expectations with respect to state-specific information about resource management and program performance. Specifically, DCS cannot adequately answer the following broad questions about staffing needs, or how staffing levels and their allocation relate to performance:

- How many staff are needed to handle current and projected caseloads?
- How should staff be allocated among local offices?
- How much does it cost to manage a case and how is this changing by case type?
- How should resources and efforts be prioritized to help DCS achieve its goals and improve overall agency performance?

CONCLUSIONS AND RECOMMENDATIONS

This report has noted the Division of Child Support's success in meeting federal mandates and priorities. It has also found that the Division has been improving its performance on several measures. We believe the Division can build upon this success by refocusing some of its efforts on addressing needs for information on resource management and program performance.

1. *To determine if it is cost-effective to recover part of its expenses for providing services to non-public assistance clients, DCS should study the feasibility of collecting fees for any of its services from such clients, and present its findings with recommendations to the legislature.*
2. *To prioritize resources, allocate staff, and maximize performance, DCS should:*

(a) Employ an on-going, cost-effective method of measuring the amount of time the staff spend on different types of cases and activities in relation to outcomes.

(b) Maintain historical data electronically and capture on-going program changes in a level of detail appropriate for budgeting purposes and for measuring, analyzing, and monitoring performance.

3. *To know how well the state's child support program is doing with respect to its outcomes, DCS should improve its performance measurement system by establishing (and reporting to the Office of Financial Management) additional performance measures that answer the following questions:*

- *What percent of cases are receiving the full child support amount?*
- *What percent of cases are receiving child support payments on a regular basis?*
- *What percent of cases have support payments due in arrears for more than a given period of time (e.g., six months, one year, three years, etc.)?*
- *How many cases were diverted from receiving welfare because the collection of child support by the Division was a contributing factor?*
- *What are the net collections (total collections minus total expenditures) per case?*

4. *To improve its performance on child support collections, DCS should submit a plan to the legislature that contains goals and strategies for improving its performance on the following indicators: percent of cases with collections, percent of current support amount collected, and percent of past-due support amount collected.*

Committee Addendum

On June 28, 2000, the Joint Legislative Audit and Review Committee adopted the following addendum to the final report:

Follow-up on the audit recommendations is a high priority for the Committee. In addition, follow-up activities shall include looking at issues such as the Conference Board, video conferencing, data and data sharing, welfare fraud, staffing, training, and staff turnover.

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REPORT

BACKGROUND

This study was an initiative of the Joint Legislative Audit and Review Committee (JLARC) in response to legislative interest in the performance and funding of Washington's child support program. Appendix 1 includes the scope and objectives for the study.

The Division of Child Support (DCS), within the Economic Services Administration of the Washington State Department of Social and Health Services (DSHS), provides child support services to custodial parents who are current or former recipients of public assistance, and to anyone who requests such services. Its mission is to:

Improve the lives of children and benefit families and taxpayers by providing quality child support services in a fair and fiscally responsible manner.

The child support program is centrally administered and services are provided at no cost to parents through the Division's nine field offices. Child support services include locating non-custodial parents; establishing paternity; establishing, reviewing, and modifying financial and medical support orders; collecting current and past due child support; enforcing medical support obligations; collecting child support across interstate lines; and processing payments. (Appendix 3 contains a flow chart of the child support enforcement process.) Because Washington State law allows for the administrative establishment and enforcement of child support orders, DCS actions have the same legal authority as do those of Superior Courts.

Caseload and Staff. During FY 1999, the Division of Child Support managed an average of 356,500 cases; of which 35.6 percent were assistance cases, 55.5 percent were non-assistance cases, and 8.9 percent were payment service-only and other types of cases. The Division has a total of 1,345 full-time staff, the majority of which are located in the nine field offices. Average collections for non-assistance cases are much higher than for assistance cases, averaging \$2,164 and \$828, respectively, in FY 1999.¹

Distribution of Collections. Moneys collected on behalf of clients on public assistance are used to offset the costs of welfare programs, and are therefore split between the federal and state governments.² Collections made for "non-assistance" cases are transferred directly to the custodial parents at no cost. The Division of Child Support also collects child support payments on behalf of state-only foster care clients,³ other states, and those individuals who require a third party to process their payments (payment services only) but have no need of location, paternity establishment, or enforcement services.

Of the total \$550.8 million collected in FY 1999, most was passed directly to non-

¹ Source of caseload figures: DCS 213R01 Report. Source of collections data: DSC 599R04 Report.

² The funds are split between the federal government and DSHS' Economic Services Administration using the current Federal Medicaid Assistance Program (FMAP) matching rate.

³ Foster Care collections for public assistance clients are split between the federal government and DSHS' Division of Children and Family Services (DCFS) according to the current FMAP rate; collections for state-only foster care cases are retained entirely by DCFS.

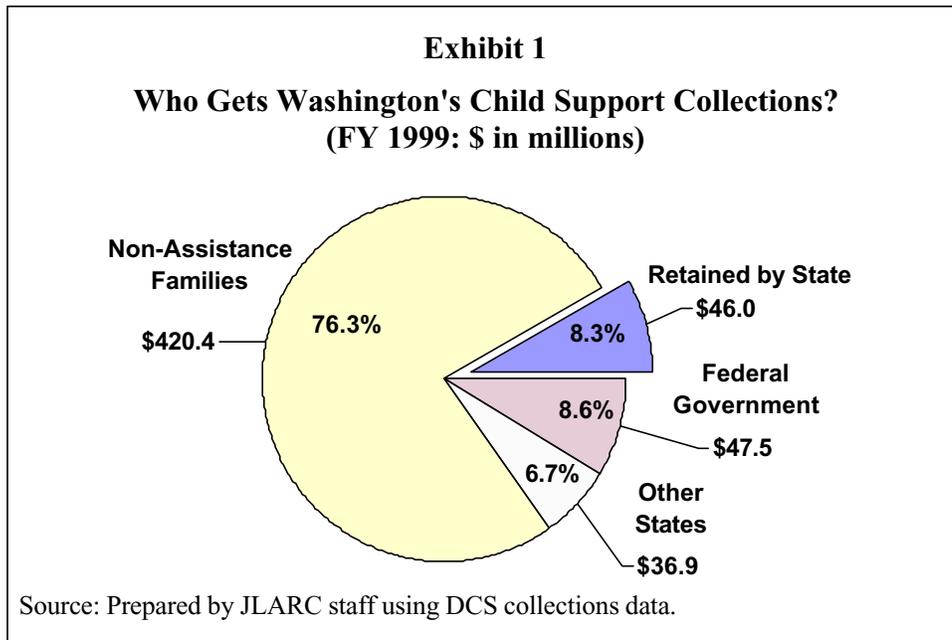
assistance families, with the state retaining \$46 million and the rest distributed to the federal government and other states. Exhibit 1 shows the Division's collections for FY 1999 according to who received the funds.

Program Funding. The federal government provides most of the funding for the Division of Child Support's operations by covering 66 percent of its administrative costs, and by providing additional performance incentive payments based on the amount of funds collected from public assistance cases. In FY 1999, 78 percent (\$91 million) of the Division's \$116 million in expenditures was paid for by the federal government, leaving the Division (i.e., the state) to cover the remaining \$25 million. When this cost to the state is compared with the amount of collections retained by the state (\$46 million), the state experienced a total of \$21 million in net revenues for FY 1999.⁴ These revenues help to offset welfare payments.

COMPLIANCE

State programs for providing child support services are primarily governed by Title IV-D of the Social Security Act of 1974 and other subsequent federal acts. The Division of Child Support's mission, goals, and objectives are consistent with federal requirements of the Office of Child Support Enforcement (OCSE) and with state legislative intent. Our review of DCS functions, activities, and documents shows that DCS is operating in compliance with the intent of federal and state legislative requirements.⁵ Further, we did not find any examples of Division activities or services that extend beyond the Washington Legislature's intent or federal requirements.

The Division's mission and goals are tied closely to the performance measures established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (federal welfare reform) and the Child Support Incentive Act of 1998. These federal acts have allowed the merging of



⁴ Source: JLARC analysis of DCS collections data.

⁵ The Division is also audited by the federal Office of Child Support Enforcement for compliance.

two missions within the Division—its traditional role as a collection agency and a new role of providing services to help families in poverty avoid going on public assistance or get off public assistance. Appendix 4 highlights key legislation affecting the child support program.

KEY ACCOMPLISHMENTS AND EFFORTS

Washington's child support program has a good reputation among its peers. In a recent report, the U.S. General Accounting Office noted Washington as one of the 10 high-performing states in providing child support services.⁶ Further, data from the Urban Institute's 1997 National Survey of America's Families showed Washington is above average (26 percent for Washington vs. 22 percent national average) in terms of the percentage of children who had a child support order and received the full amount of their order through state child support programs.⁷

The Division has been proactive in participating in federally-funded pilot projects, computerizing many routine functions and forms, and identifying ways to improve its activities and services in its field offices. For example:

- The Division received two grants from the federal Office of Child Support Enforcement in 1999 to (1) determine factors that lead to large overdue support payments and recommend changes that will reduce overdue payments, and (2) set up an Internet Lien Registry. Timelines for both projects are October 1999 through February 2001.

- The Division was one of four states that volunteered to pilot the new federal incentive system in 1996, which went into effect in October 1998.⁸ The new incentive system broadens the performance criteria for providing incentive payments to states.
- Under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, states were required to have computerized statewide support collection and disbursement centers by October 1998. Washington has had a computerized statewide support collection system since 1985 and a disbursement center (Washington State Support Registry) since 1988. Washington became one of the first states to receive full federal certification for its automated child support enforcement management system (SEMS) in September 1995.⁹
- The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 required all states to enact uniform interstate laws relating to child support collection and enforcement by January 1998. As one of the pilot states, Washington had enacted these laws in July 1994.
- To enhance internal cash controls and reduce processing time for depositing child support payments, the Division installed a new child support payment processing system in 1997 that uses imaging technology.¹⁰ The technology allows DCS staff to scan payment

⁶ U.S. General Accounting Office. Welfare Reform: Child Support an Uncertain Income Supplement for Families Leaving Welfare. August 1998 (GAO/HEHS-98-168).

⁷ Elaine Sorensen and Chava Zibman. To What Extent Do Children Benefit from Child Support? Urban Institute (99-11), January 2000.

⁸ Washington Division of Child Support. Washington State Child Support Incentive System. Legislative Report, December 1, 1999.

⁹ Letter to DSHS Secretary from the Assistant Secretary for Children and Families of the U.S. Department of Health and Human Services. February 6, 1996.

¹⁰ Federal Office of Child Support Enforcement Office Website. A Compendium of State Best Practices in Child Support Enforcement. 1998.

documents upon receipt and archive the information for future use by support enforcement officers.

- The Division has implemented a state-of-the-art Intranet system that allows access by its staff to detailed program information (including state and federal documents, performance reports, discussion forums, and literature reviews) and facilitates communication among staff at headquarters and field offices.

Pilot Projects and Initiatives in Field Offices. To understand how the child support program works at the field level, we visited four of the nine field offices—Everett, Tacoma, Vancouver, and Yakima. During our site visits, we interviewed members of both staff and management, who told us about their pilot projects and new methods for improving field operations. For example:

- The Everett office uses video conferencing to improve the initial interaction of custodial parents with community services and child support offices.
- “Support Has A Rewarding Effect” (SHARE) in Yakima assists non-custodial parents with training and employment to improve their chances of meeting their child support obligations.
- Pierce and Thurston counties target jail populations and Department of Corrections parolees for Welfare-to-Work to help them meet their support obligations.
- “Devoted Dads” in Tacoma encourages fathers to participate in their children’s lives and be financially responsible.
- The Vancouver office distributes new cases to its staff on a rotation basis to improve staff efficiency; and cooperates with other agencies in an outreach

program for area high schools to teach them about parental responsibilities.

A more detailed description of these projects and initiatives is included in Appendix 5.

NEW CHALLENGES

The Division of Child Support is facing new challenges that have fiscal and case management implications. These challenges are:

- Changes in child support caseload profile;
- A shift in focus from primarily collections to the broader scope of providing child support-related services; and
- Coordination with WorkFirst and Welfare-to-Work programs.

Changes in Child Support Caseload Profile

As shown in Exhibit 2 on the following page, over the last five years the child support caseload has increased about 6 percent—from approximately 335,000 in FY 1995 to over 350,000 in FY 1999. In addition, the case mix has changed over the last few years. The number of public assistance cases, which previously constituted the majority of the Division’s caseload, have been declining, while non-assistance cases have been increasing. Correspondingly, total collections from assistance cases have decreased, while non-assistance case collections have increased (see Exhibit 3 on page 6).

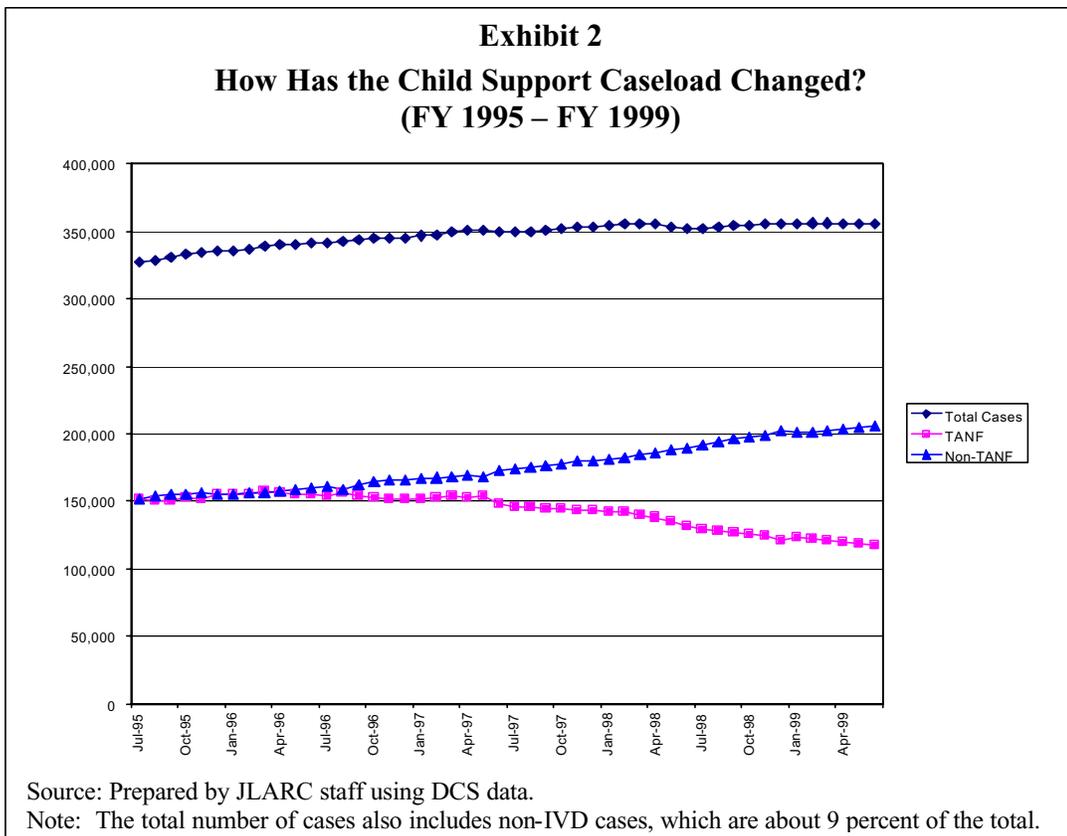
The decline in DCS assistance caseload has been attributed to the decline in TANF (public assistance) caseload resulting from welfare reform. From a statewide perspective, the declining number of child support assistance cases is a positive development, because fewer families are on welfare.

However, public assistance *collections* have declined at a faster rate than *caseloads*, and average collections per assistance case have also declined. It is less clear why this has occurred. A possible explanation is that families remaining on public assistance may have more significant barriers to employment than those who have left the welfare rolls, and this may also be true for the non-custodial parents of these families.¹¹ DCS is currently researching this theory; but it has yet to be empirically confirmed. Other factors could be at play, including the amount of time support enforcement officers spend on different types of cases and the effect of the computer-automated location and enforcement tools by which casework is

prioritized.

Because assistance collections help to offset the costs of the WorkFirst program and are a significant source of revenue for the state, it is important for the Division to understand the reasons for their decline, and to take steps to increase these collections (or at least minimize their decline).

The decline in assistance collections impacts the state’s budget. The federal government has historically provided performance incentive payments to the Division of Child Support that are based largely on the Division’s total assistance collections. Declines in these collections have resulted in subsequent decreases in federal incentive payments to the Division,



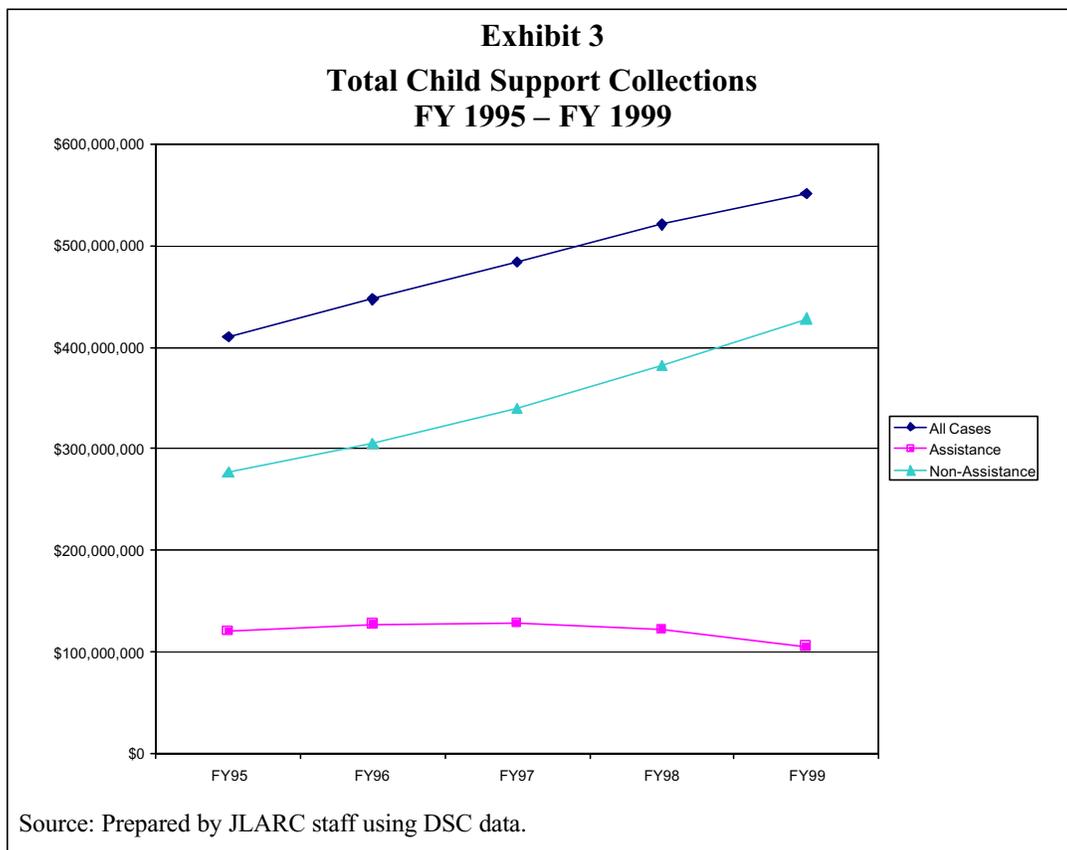
¹¹ U.S. General Accounting Office. Child Support Enforcement: Effects of Declining Welfare Caseloads Are Beginning to Emerge. June 1999 (GAO/HEHS-99-105).

making it more difficult for the Division to predict its revenues and requiring it to request additional state funds to cover program costs.

Although state law (RCW 74.20.040) allows the Department of Social and Health Services to charge an application fee for providing child support services, DCS currently does not charge any fees or recover costs for its services. A number of other states, including Idaho and Oregon, charge application fees and/or recover portions of their costs for providing child support services to *non-assistance* clients.¹² Federal laws restrict states from charging application fees or recovering costs from

clients who are on *public assistance*.¹³

The U.S. General Accounting Office has recently recommended that individuals who are not on public assistance should pay a portion of the costs incurred by the states and federal government in providing child support services.¹⁴ In light of increasing caseloads and concerns about reduced federal incentive payments, Washington's Division of Child Support should study the feasibility of collecting such fees and present its findings to the legislature for further consideration.



¹² National Conference State Legislature website (<http://www.ncsl.org/programs/cyf/fees.htm>). State Child Support Programs: Fee Collection and Cost Recovery Policies.

¹³ US Code: Title 42, Section 654; 45CFR302.33; and 45 CFR304.23.

¹⁴ U.S. General Accounting Office. Child Support Enforcement: Effects of Declining Welfare Caseloads Are Beginning to Emerge. June 1999 (GAO/HEHS-99-105), p. 25.

Shift in Focus

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and the Child Support and Performance Incentive Act of 1998 have changed the focus of state child support agencies from being collection agencies to becoming service agencies. Correspondingly, types of work performed by child support enforcement officers have expanded.

The new federal incentive payment system reflects the shift in focus. The new system will no longer rely solely on the collections and the ratio of collections to administrative costs. Future incentive payments to states will be based on a set of broader performance criteria, which include paternity and support order establishment, current and past-due support collection, and cost effectiveness. Congress also limited funding for the new system and now requires states to compete for a fixed amount of money based on their comparative performance.

Because the future incentive payments will be based on new measures and depend on the relative performance of other states, it is not known at this time how the new system will impact the amount of funds Washington State will receive. The system is being phased in over a period of three years to compensate for any state's losses due to changes in the incentive system. Appendix 6 contains a description of the new and old incentive payment systems.

Coordination with WorkFirst and Welfare-to-Work

The Division of Child Support and WorkFirst have formed a new partnership to allow integrated services to both custodial and non-custodial parents through statewide DSHS Community Services Offices. The Division believes that its most important role is to provide a consistent income source once a child and his or her custodial parent

leave public assistance.¹⁵ The Division is conducting a number of initiatives to match its data with WorkFirst data, facilitating better communications between Community Service Offices and DCS field offices, and assisting in the provision of WorkFirst and Welfare-to-Work services for non-custodial parents (see Appendix 5).

The Division is participating in a variety of efforts to coordinate child support collections with WorkFirst. These efforts revolve around the WorkFirst local area planning goal of increasing child support collections for WorkFirst clients. Sub-3 (Governor's Sub-cabinet Level 3) is a forum through which the Division of Child Support and other WorkFirst partner agencies discuss coordination issues among the agencies responsible for implementing WorkFirst.

RESOURCE ISSUES AND PERFORMANCE MEASUREMENT

Washington's child support program is primarily driven by federal mandates, and much of the Division's focus is devoted to meeting those mandates. However, these federal mandates are not sufficient in themselves to address policymakers' expectations with respect to state-specific information about resource management and program performance.

Specifically, the Division cannot adequately answer the following broad questions about staffing needs, or how staffing levels and resource allocation relate to performance:

1. How many staff are needed to handle current and projected caseloads?
2. How should staff be allocated among offices?

¹⁵ DCS, Dr. Carl Formoso, The Effect of Child Support and Self-Sufficiency Programs on Reducing Direct Support Public Costs. Final Version, May 19, 1999.

3. How much does it cost to manage a case and how is this changing by case type?
4. How should the Division's resources and efforts be prioritized to maximize performance according to overall agency goals and performance measures?

Resource Management

As discussed earlier, there have been significant changes in child support enforcement over the last decade, including a shift from a pure debt-collection focus to a broader approach integrated with the goals of welfare reform. In addition, many routine tasks of support enforcement officers (SEOs) have been automated by computerized data matching processes with other state agencies. Examples include matches with Employment Security so DCS can determine when non-custodial parents obtain employment, and with financial institutions around the state to help DCS locate the assets of non-custodial parents who are refusing to pay.

Our study included a review of how the Division has managed its staff resources in light of these changes. We found that although the Division collects a significant amount of data on the cases handled by its support enforcement officers, it has little information on staff resource use and productivity. The Division has not analyzed how the nature of its work has changed over time, what the costs or time requirements are of different types of cases, or how staff resource needs have been affected by the increasing automation of routine tasks.

As a result, the Division of Child Support did not provide a convincing justification for staffing increases in its 1999-01 budget submittal. For example:

- The Division reported that the average amount of collections per field FTE has increased over the previous seven years. However, this increase could be explained by other factors, such as the

healthy state economy and the impact of inflation on child support orders.

- The Division asserted the need to maintain a field-staffing ratio of 270 cases per FTE. However, this figure is based on a 1989 study, which offered little empirical support, and which is now out of date.¹⁶ Also, there are other indications that reducing staff caseloads or increasing staff may not have a significant impact on increasing collections. For example, the Economic Services Administration of the Department of Social and Health Services, which produces the Division's collections forecasts, dropped staffing and the Temporary Assistance for Needy Families (TANF) caseload figures from its forecasting model because they were not accurately predicting future collections. The current model now relies predominantly on historical collection patterns.¹⁷

Although the Division collects a large amount of case-level data, the information is not readily accessible for analysis or management use. For example, most of the historical collections and caseload data by case type and field office are maintained only in hard copy and are difficult to summarize. DCS management could

¹⁶ The Workload Standard Group, Marcy Anstett (consultant). Workload and Performance Standards: The Office of Support Enforcement.

The study developed higher caseload standards for caseload carrying field staff (up to 600 cases), and then DCS management divided this caseload among all field staff to derive a 250-caseload standard. Since then DCS has changed the standard upward to 270 in recognition of efficiencies through automation, but the change in the standard was based on management's judgment rather than an analysis of actual workload.

¹⁷ The DCS forecast model utilizes a time series regression analysis that includes historical collection amounts, seasonal variables, and number of workdays per period. The accuracy of the forecasting model improved since the elimination of FTEs and TANF caseload.

regularly use this information for monitoring performance and allocating resources if it were maintained electronically.¹⁸

Relationship Between Resources and Performance Measures

We were able to provide answers to some key performance questions about the relationship between resource use and staff productivity only after manually entering the data ourselves. For all statewide offices between fiscal years 1997 and 1999, we found:¹⁹

- Offices with a higher percentage of assistance cases have lower average collections per case.
- Offices with higher staff caseloads do not show a decrease in average collections per case.
- All offices showed an overall increase in the percentage of their cases receiving payments.
- The percentage of public assistance cases receiving payments decreased in every office, while payment rates consistently increased for non-assistance cases.

It was also brought to our attention that some field offices would like to have ongoing access to such performance data, and are tracking this information independently because it is not available through headquarters.

¹⁸ At the field office level, historical caseload data was only available in hard copy reports (213 RO1 Report). Collections data was available electronically only back to FY 1997 (599 Report). Both data sources report the information by month and discreet case types, without summaries by year or broad case type (public assistance, non-assistance, etc.).

¹⁹ JLARC staff used single variate regression analysis to identify these relationships between collections and staffing levels. Because the amount of data available was very limited, this information should be used only as an indicator of possible performance issues.

The Division of Child Support is currently exploring the possibility of completing an industrial engineering staffing study to better understand its staffing and resource allocation needs. Though this would offer important information on the amount of time currently being used to complete certain tasks and manage different types of cases, there are inherent limitations to a study that provides only a snapshot of the use of staffing resources. Furthermore, such a study would provide the agency with information on what resources are currently being used, but not necessarily what amount of resources are most appropriate or most effective to achieve certain performance goals.

Since child support is a rapidly changing field, a snapshot could quickly become outdated, as we have seen in the case of the 1989 study that is now being used to project staffing needs in 2000 based on caseload. Instead, we recommend that the Division choose an approach that would enable it to capture the needed information and update it on an ongoing basis. Such an approach would enable the Division to compare its use of resources with changes in performance and to identify the most effective practices.

Privatization

Our review of the Division's experimentation with privatizing collections provides an example of how the lack of information on the costs of serving cases hampers the Division's ability to evaluate cost-effective alternatives to its current operations.

Background. Among the 31 states that have had some kind of child support privatization in recent years, eight have had full privatization of some local offices, meaning that the offices have performed the entire array of child support services. Six of the 31 states have limited privatization to

collecting arrears on non-current welfare cases. Washington is one of those six states.

Budget provisos in Washington's 1995-97 and 1997-99 Biennial Budgets required that DCS contract with a private collection agency to pursue collection of AFDC child support arrearages. DCS entered into a contract with a private agency in December 1996, and maintained this contract until statutory authority expired on June 30, 1999.

Comparison of the Private Agency to the Division of Child Support. The ability to make a direct comparison of the financial and other performance outcomes of the privatized collections program and the regular collections efforts within DCS is limited in two ways:

- The mandate for privatized collections did not require an evaluation.
- DCS information systems do not capture the time and costs associated with types of cases – information that might allow for a direct comparison to the private company.

Information from a DCS pilot project for a Special Collections Unit, for which cost and other performance information is available, suggests that an internal unit focusing on the same kind of hard-to-collect cases might out-perform a private company given the same cases. The number of cases available for comparison is, however, small, and any conclusion drawn from them must be tentative. In any event, neither the financial performance of the private company nor the Special Collections Unit can be compared to the normal collection process because relevant cost information on the normal process is not captured in the information system.

We also reviewed the literature on privatization of child support services to see if the experience of other states and jurisdictions might provide useful information for Washington. The information derived from this review was

inconclusive. The mixed results of the experience of offices in other states would not be predictive of what Washington State's experience would be.

Conclusion. Meaningful evaluation of any further experimentation with privatization will not be possible until DCS begins collecting information on the cost of types of cases, services, and activities.

Legal and contractual matters related to privatization are topics that have been of interest to the legislature. A brief description of these matters within the context of child support services is contained in Appendix 7.

Performance Measurement

Until recently, federal child support incentive payments to states were based on two performance measures—collections and cost efficiency. Effective October 1998, the performance criteria for federal incentive payments were broadened to include the following five measures:

1. Paternity establishment percentage
2. Number of cases with orders
3. Collections on current support
4. Number of cases receiving payments on arrears
5. Ratio of collections to expenditures

The Division of Child Support's performance measurement system is basically designed to meet the requirements of the federal Office of Child Support Enforcement (OCSE). The Division's strategic plan consists of three major goals, which mirror the goals of the national child support program. Exhibit 4 lists those goals along with the measures used to assess the Division's performance.

In addition to the federally required measures listed in Exhibit 4, the Division uses two other performance measures for state reporting purposes:

- Average monthly collections per field staff FTE;²⁰ and
- Number of current and former assistance recipient cases with child support payments.²¹

Additional performance measures are needed. Although the measures currently used by the Division provide some useful information about its performance and meet federal requirements, the Division lacks key management information necessary for addressing state-specific performance and resource allocation issues. For example, the Division does not collect data to answer the following basic performance-related questions:

- How many cases are receiving the full child support amount?
- How many cases are receiving child

support payments on a regular basis?

- How many cases have support payments due in arrears for more than a given period of time (e.g., six months, one year, three years, etc.)?
- How many cases were diverted from receiving welfare because the collection of child support by the Division was a contributing factor?

In addition to the performance measures the Division already uses to report its performance, we conclude that the Division should also collect data to answer these and other performance-related questions.

This additional information will be useful to both the legislature and the Division’s management for making policy and budgetary decisions. Our recommendation for a fifth additional performance measure

Exhibit 4
Goals and Measures of the Washington Child Support Program

Goals	Measures
All children have paternity established.	<ul style="list-style-type: none"> • Paternity established percentage*[#] • Total paternities established
All children in IV-D cases have accurate financial and medical support orders.	<ul style="list-style-type: none"> • Cases with support orders established* • Cases with medical support ordered • Orders established
All children in IV-D cases receive financial medical support from both parents.	<ul style="list-style-type: none"> • Collections on current support*[#] • Cases paying toward arrears*[#] • Cost-effectiveness* • Total IV-D collections[#] • IV-D collections – actual and projected • Total IV-D active cases[#]

* Federal incentive measure.

Measure reported to the Washington Office of Financial Management.

Source: Prepared by JLARC staff using federal and DCS documents.

²⁰ Reported to the Washington State Office of Financial Management.

²¹ Reported on the Governor’s Report on TANF Status and Child Support Payments.

will be discussed in the context of the limitations of the current “cost-effectiveness ratio” (see p. 13).

Caution must be exercised in using performance information.^{22,23} When comparing Washington’s performance with other states, or among regions and field offices within the state, one should be careful not to compare dissimilar entities. None of the measures may fully account for differences in the complexity of caseloads, and on many measures it may not be possible to differentiate the performance of child support agencies from the outcomes of state policy. This is because the agencies must operate within the limitations of the different statutory and budgetary

frameworks of the individual states.

Reliability of data is also an issue. For example, the data reported by the states to the federal Office of Child Support Enforcement is of questionable use because of differences in reporting methods, double counting, and lack of complete information.

Certain measures, by themselves, may also be misleading. For example, the way the current cost-effectiveness ratio has been used for awarding federal incentive payments does not accurately calculate the program’s cost-effectiveness and is heavily weighted in favor of assistance collections. The new incentive payment system corrects the calculation problem but still has a major

Exhibit 5
Key Performance Measures of the Division of Child Support

	FFY-95	FFY-96	FFY-97	FFY-98	FFY-99
Cases with paternity established	68.0%	77.9%	86.2%	88.8%	91.2%
Cases with support orders established	74.6%	80.2%	82.6%	84.1%	88.4%
Cases with collections	38.6%	35.1%	39.0%	40.8%	N/A
Current support amount collected	51.1%	51.1%	51.2%	50.3%	57.7%
Past due support amount collected	21.1%	20.8%	21.0%	25.0%	N/A
Cost-effectiveness (ratio of total collections to total expenditures)	3.4	3.5	3.8	3.7	N/A
Net collections (total collections minus total expenditures) per case	\$981	\$1,093	\$1,212	\$1,285	N/A

Source: Prepared by JLARC staff using reports (OCSE-34, OCSE-156, OCSE-157, and OCSE-158) submitted to the federal Office of Child Support Enforcement by DCS.
N/A - Comparable data are not available.

²² Teresa Myers. Issue Brief: Accurately Evaluating State Child Support Program Performance. National Conference of State Legislatures (NCSL) Child Support Project, <http://www.ncsl.org/programs/cyf/cs.htm>.

²³ J. Guyer, C. Miller, and I. Garfinkel. Ranking States Using Child Support Data: A Cautionary Note. Social Service Review, 70 (4), December 1996, pp. 632-652.

disincentive: States who are doing relatively better jobs of reducing their welfare caseload would receive lower incentive payments for child support collections.

Finally, no one single measure tells the whole story about performance. For example, one state could have a higher ranking for cost-effectiveness (total collections / total expenditures), but have a lower ranking in percent of cases receiving child support payments, percent of cases receiving full child support amount, or collection rate on hard-to-collect cases.

For all of these reasons, it is difficult and potentially misleading to compare states, and to compare state child support agencies. Nevertheless, there is a high degree of interest in such comparisons, and the federal government publishes them annually. In Appendix 9 we have included national performance data in recognition of this interest. These data should be viewed in the context of the limitations we have outlined.

Limitation of Cost-effectiveness Ratio. There is an inherent limitation in using the cost-effectiveness ratio in isolation as a measure for assessing performance of a state or comparing one state with others.

The ratio does not take into account the net collections (total collections minus total expenditures). A state may be very cost-effective but not doing very much in terms of accomplishing its main objective of collecting child support. On the other hand, a state may show a lower cost-effectiveness ratio even though it is increasing its net collections by increasing its expenditures.

To address this limitation of the cost-effectiveness ratio, we recommend that the Division adopt **net collections per case** as an additional performance measure. The net collections per case explains whether a change in the cost-effectiveness ratio portrays an improvement or a decline in collections performance. Both of these measures must be used side-by-side to be

meaningful. See Appendix 8 for examples and further discussion on the use of these two measures.

When we calculated the net collections per case and compared it over time, we found that the Division has been consistently improving its net collections per case while showing only a marginal change in the cost-effectiveness ratio (see the highlighted rows in Exhibit 5).

Other Performance Trends. Exhibit 5 shows the Division's record on other key performance measures for FFY 1995 through FFY 1999. The Division has generally improved its performance on these measures during the last five years. However, there are issues of relatively low performance on the outcome measures that are most relevant to the families that receive child support. These areas are: *percent of cases with collections*, and the *percent of current and past due support collected*.

The Division's performance on these three measures is low in relation to its performance on other measures and to the federal and state goal of providing child support to all children. Over the past five years the Division has collected payments on just four out of every ten cases. With respect to the percent of support collected, the Division has been collecting about half of current support owed and about a quarter of the past due support owed.

To the extent that national comparative data is relevant, Washington State's performance in FFY 1998 was high or average on these three measures. Nevertheless, even the high performing states have a long way to go to ensure that most, if not all, children receive the support they are due.²⁴

²⁴ A similar conclusion was reached by a recent study conducted by the Urban Institute (Child Support Offers Some Protection Against Poverty, by Elaine Sorensen and Chava Zibman. March 2000). The study included Washington State in its analysis.

We recognize that performing at the 100 percent level may not be realistic and that there are certain barriers to collections. For example, it is difficult to collect from non-custodial parents who are unemployed, incarcerated, or cannot be located.²⁵ Yet, in order to serve the maximum number of children who are entitled to receive child support from their non-custodial parent, the Division should continue to find ways to improve its performance on the outcome measures that are most relevant to families.

CONCLUSIONS AND RECOMMENDATIONS

This report has noted the Division of Child Support's success in meeting federal mandates and priorities. It has also found that the Division has been improving its performance on several measures. We believe the Division can build upon this success by refocusing some of its efforts on addressing needs for information on resource management and program performance.

1. *To determine if it is cost-effective to recover part of its expenses for providing services to non-public assistance clients, the Division of Child Support should study the feasibility of collecting fees for any of its services from such clients, and present its findings with recommendations to the legislature.*

Legislation Required: No

Fiscal Impact: There may be some initial costs in conducting the feasibility study. However, there is a potential for increased revenue to offset program costs.

Completion Date: By June 2001

2. *To prioritize resources, allocate staff, and maximize performance, the Division of Child Support should:*

- (a) *Employ an on-going, cost-effective method of measuring the amount of time the staff spend on different types of cases and activities in relation to outcomes.*
- (b) *Maintain historical data electronically and capture on-going program changes in a level of detail appropriate for budgeting purposes and for measuring, analyzing, and monitoring performance.*

Legislation Required: No

Fiscal Impact: There may be some initial and ongoing costs to collect and maintain the relevant data. The recommendation emphasizes that the method of collection should be cost-effective. Long-term savings potential should outweigh the initial and ongoing investment.

Completion Date: June 2001

The implementation of this recommendation would enable the Division to adequately answer critical management questions such as:

- How many staff are needed to handle current and projected caseload?
- How should staff be allocated among offices?
- How much does it cost to manage a case and how is this changing by type of case?
- How should the Division's resources and efforts be prioritized to maximize performance according to overall agency goals and performance measures?

3. *To know how well the state's child support program is doing with respect to its outcomes, the Division of Child Support should improve its performance measurement system by establishing (and reporting to the Office of Financial Management) additional performance*

²⁵ DCS estimates that approximately 29 percent of these cases are what they consider to be "Hard to Collect."

measures that answer the following questions:

- *What percent of cases are receiving the full child support amount?*
- *What percent of cases are receiving child support payments on a regular basis?*
- *What percent of cases have support payments due in arrears for more than a given period of time (e.g., six months, one year, three years, etc.)?*
- *How many cases were diverted from receiving welfare because the collection of child support by the Division was a contributing factor?*
- *What are the net collections (total collections minus total expenditures) per case?*

Legislation Required: No

Fiscal Impact: None

Completion Date: By June 2001

4. *To improve its performance on child support collections, the Division of Child Support should submit a plan to the legislature that contains goals and strategies for improving its performance on the following indicators:*

- *Percent of cases with collections,*
- *Percent of current support amount collected, and*
- *Percent of past-due support amount collected.*

Legislation Required: No

Fiscal Impact: None

Completion Date: By June 2001

COMMITTEE ADDENDUM

On June 28, 2000, the Joint Legislative Audit and Review Committee adopted the following addendum to the final report:

Follow-up on the audit recommendations is a high priority for the Committee. In addition, follow-up activities shall include looking at issues such as the Conference Board, video conferencing, data and data sharing, welfare fraud, staffing, training, and staff turnover.

AGENCY RESPONSE

The Department of Social and Health Services (DSHS) and the Office of Financial Management (OFM) have responded to the recommendations contained in the report. DSHS and OFM concur with Recommendations 1, 2, and 3, and partially concur with Recommendation 4. Their written comments are provided in Appendix 2.

ACKNOWLEDGEMENTS

We appreciate the assistance provided by the staff of Washington's Division of Child Support. Both headquarters and field offices staff were responsive in providing requested information in a timely fashion. We are also thankful to Stephanie Walton of the National Conference of State Legislatures for providing valuable information on other states' child support programs.

Thomas M. Sykes
Legislative Auditor

On June 28, 2000, this report was approved for distribution by the Joint Legislative Audit and Review Committee.

Senator Georgia Gardner
Chair

APPENDIX 1 – SCOPE AND OBJECTIVES

SCOPE

This audit focuses on the performance of Washington's child support program, administered by the Division of Child Support (DCS) of the Department of Social and Health Services (DSHS). In addition to evaluating the compliance, cost, efficiency, and effectiveness of the program, the review assesses the impact of the recent welfare reform (that is, WorkFirst) on child support program operations. The review analyzes program information covering four biennia (1999-01, 1997-99, 1995-97, and 1993-95). Specifically, the audit addresses the following objectives.

OBJECTIVES

1. **Overview:** What are the responsibilities of Washington's child support program? How do child support establishment, collection, enforcement, and payment disbursement processes work?
2. **Compliance:** Are the Division's mission, goals, and objectives consistent with legislative intent and federal mandates? Are there services or activities that extend beyond either legislative intent or federal mandates?
3. **Impact of Welfare Reform:** What has been the impact of the recent welfare reform on the state's child support program? How has the Division dealt with the decline in welfare cases which, in part, determine its level of federal payments?
4. **Costs:** What are the costs of providing child support services? How have these costs changed over time? How accurate has the Division been in forecasting its expenditures? Does the Division maximize federal incentive payments? Has the Division streamlined its child support establishment, collection, enforcement, and disbursement processes, and to what extent have these processes been automated? What services or activities could be privatized, and would privatization of such services or activities improve the Division's cost-effectiveness?
5. **Results:** How is the Division balancing its responsibility to maximize child support collections with its responsibility to maximize the number of clients served? What indicators does the Division use in assessing its performance? Are these indicators adequate, that is, do they provide program information necessary for making policy decisions? How has the Division performed in fulfilling its responsibilities? What has been the federal assessment of the Division's performance? What role has the Division played in keeping custodial parents from going on, or returning to, welfare?

APPENDIX 2 – AGENCY RESPONSE

- Department of Social and Health Services
- Office of Financial Management



STATE OF WASHINGTON
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
Olympia WA 98504-5000

June 8, 2000

RECEIVED

JUN 13 2000

JLARC

Mr. Tom Sykes, Legislative Auditor
Joint Legislative Audit and Review Committee
506 16th Avenue South East
Olympia, Washington 98501-2323

Dear Mr. Sykes:

Thank you for the opportunity to respond to the Joint Legislative Audit and Review Committee's performance audit of Division of Child Support (DCS). We have enjoyed and benefited from the process of discussing the various issues raised by JLARC and audit staff members.

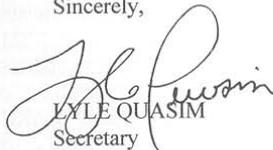
In general, we concur with the findings issued in the report. However we would have preferred to see more information included in the report that describes our work-in-progress with respect to Recommendation 2. We have enclosed an attachment to our response entitled, "Implementation Plan for PFMEA Recommendation: SEMS and Staff Action Plan and Alignment" that outlines the work we're doing in this area.

We also have misgivings about Recommendation 4 because we believe that it incorrectly characterizes DCS' performance as "low". While there is always room for improvement, the Division's performance has fared well both in comparison to other states and to its own past performance.

The Division is already in the midst of management improvements that are consistent with many of JLARC's recommendations. Necessary project enhancements and scope expansion will carry a significant price tag, in terms of staff time and other resources. While the return on this investment should be positive for the state as a whole, there is no provision for DCS expenditures to be reimbursed by way of an enhanced operating budget.

Thanks again for the opportunity to comment.

Sincerely,


LYLE QUASIM
Secretary

cc: Liz Dunbar, Assistant Secretary, Economic Services Administration, DSHS
Meg Sollenberger, Director, Division of Child Support, DSHS
Marty Brown, Director, Office of Financial Management

DCS Response to JLARC Preliminary Report

June 8, 2000

Recommendation 1

Agency Position

DCS concurs.

Comments

DCS will conduct a feasibility study to determine the cost-effectiveness of recovering part of its expenses from non-public assistance clients. The Division will be prepared to present its finding to the legislature no later than June 30, 2001.

Recommendation 2

Agency Position

DCS concurs.

Comments

DCS will develop and implement a cost-effective method of measuring the amount of time staff spends on different types of cases and activities in relation to outcomes. DCS will also develop a means of maintaining historical data electronically and capturing on-going program changes in a level of detail appropriate for budgeting purposes and measuring, analyzing and monitoring performance.

The Process Mapping Analysis (PMA) project, already in progress, will be the primary means by which DCS will address concerns raised in Recommendation 2. The attachment entitled, "Implementation Plan for PMFEA Recommendation: SEMS and Staff - Action Plan and Alignment" details some of the work being done to address JLARC concerns relative to resource allocation and performance maximization. Although it is expected that certain aspects of project will be modified slightly to address all of the latest JLARC findings, the plan provides basic information pertaining to the scope, methodology and deliverables of the Process Mapping and Analysis (PMA) project.

We anticipate some activities will be completed before 6/30/01, but others will not. It may take until 3/31/02 to fully complete all tasks.

Recommendation 3

Agency Position

DCS concurs.

Comments

DCS will establish the additional performance measures recommended by JLARC.

Recommendation 4

Agency Position

DCS partially concurs.

Comments

DCS will submit a plan to the legislature that contains goals and strategies for improving the present performance on the indicators listed in Recommendation 4. However, DCS takes exception to the phrase, “low performance” used in the both body of the Preliminary Report and in Recommendation 4.

The expression, “low performance” connotes a negative impression that DCS does not believe is warranted. Furthermore, the term “low” is relative. Stating that a number is low or high is impossible without comparing to another number. For example, if asked whether the number 62 high or low? The obvious responses are, “Compared to what?” or, “In what context?”

Recommendation 4 characterizes DCS’ performance as “low” in the following indicators:

- percent of cases with collections
- percent of current support amount collected and
- percent of past-due support amount collected

These are new federal measures and cross-state comparison data is yet to be published. However, based on past performance, it is more likely that Washington’s program will rank among the nation’s leading states in these categories. A March 2000 study by the Urban Institute¹ found Washington to be the third best child support program in the country (of those surveyed) in terms of the highest percentage of children with child support orders receiving the full child support amount due. JLARC elected not to compare DCS with other states’ child support agencies using the rationale that “one should be careful not to compare dissimilar entities”². DCS agrees that it is prudent to consider differences when making such comparisons, however, without such comparisons, there is still the dilemma of how to assess performance objectively.

DCS believes that the best way to measure performance is to use a combination of baseline data and comparisons with other states. Comparison with other entities should be tempered with thoughtful analysis to identify and, factor out where possible, differences (i.e., demographic,

¹ Elaine Sorensen and Chava Zibman, *op. cit.* Thirteen states’ child support agencies were surveyed, including the states of Wisconsin and Michigan, which are commonly acknowledged to be two of the very best child support programs in the nation.

² Page 12 of the Preliminary Report

economic, political, etc.). While there is always room for improvement, the Division is relatively confident that such an approach would indicate that its overall performance is among the nation's higher-producing child support agencies.

One might assert that the "low" categorization is in reference to the federal incentive payment standard of 80% for these measures. The flaw in that reasoning is that the 80% "standard" is completely arbitrary and not based on actual child support industry performance. DCS contends that while incentives do indicate high-leverage opportunities for improvement, they do not necessarily provide a good basis upon which to judge performance.

JLARC eventually conceded that DCS has improved its performance on the measures in question during the last six years.³ DCS maintains that these historical measures provide the only legitimate basis for comparison. More importantly, there is a positive trend in the performance data. Although the Division cannot presently argue that it is performing at "high" levels (anymore effectively than JLARC can argue that DCS is performing at "low" levels) one can at least state with a level of confidence that DCS has been improving over time. This conveys an entirely different impression of the Division's performance.

Note: (Added by JLARC)

The "Implementation Plan for PFMEA Recommendation: SEMS and Staff Action Plan and Alignment" referenced in the DSHS Secretary's June 8, 2000, letter to JLARC (see page 21) is available upon request to JLARC

³ Page 13 of the Preliminary Report



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

RECEIVED

JUN 15 2000

JLARC

June 15, 2000

TO: Tom Sykes, Legislative Auditor
Joint Legislative Audit and Review Committee

FROM: Marty Brown, Director *MB*

SUBJECT: JLARC MAY 26 PRELIMINARY REPORT

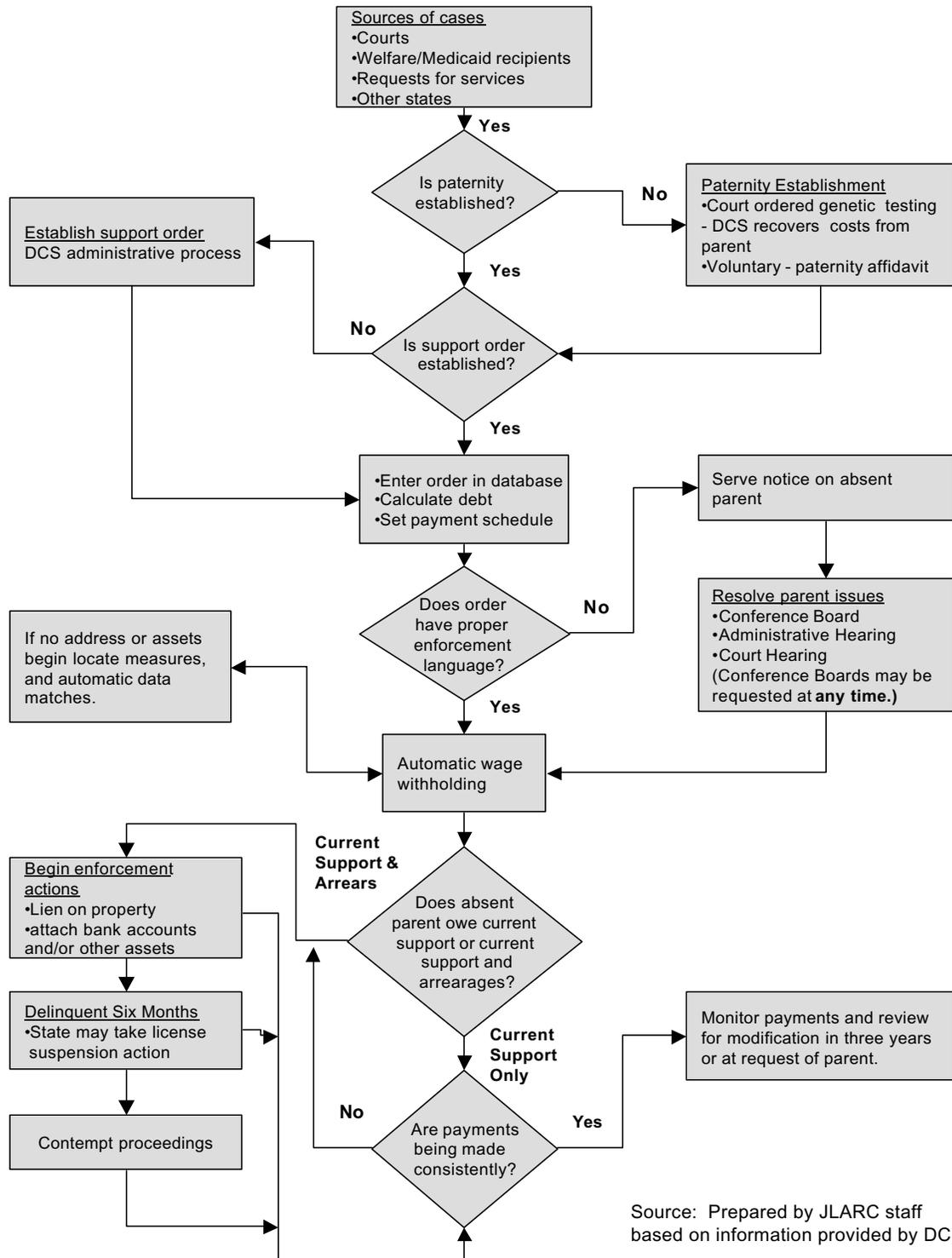
This memo is in response to your May 26 preliminary report on the Department of Social and Health Services, Division of Child Support (DCS), Performance Audit. As requested, we reviewed the four recommendations contained in the report and would concur with the first three findings. As the report indicates, it appears that the program's information capabilities may not adequately meet the management needs.

We partially concur with the fourth recommendation of submitting a plan to the Legislature containing goals and strategies for improving the present low performance indicators. We agree that DCS should develop goals and strategies for targeting improved performance and is consistent with all state agencies in the budget development process. This recommendation should not be necessary since it will be a part of the DSHS agency submittal for the 2001-2003 biennium.

I commend the efforts demonstrated in your report and thank you for the opportunity to comment on the findings. Please contact my staff or me if you have any questions or if we can be of further assistance.



APPENDIX 3 – CHILD SUPPORT ENFORCEMENT PROCESS FLOW CHART



Source: Prepared by JLARC staff based on information provided by DCS.

APPENDIX 4 – KEY CHILD SUPPORT LEGISLATION

Year	Legislation
1974	<p>Part D of Title IV of the Social Security Act (Child Support)</p> <ul style="list-style-type: none"> • Requires states to establish paternity, accept payments and distribute, make agreements with courts, establish state parent locator service, and cooperate with other states.
1984	<p>Federal Child Support Amendments</p> <ul style="list-style-type: none"> • Requires mandatory enforcement practices, including income withholding and liens. • Set federal incentive payment base at 6 percent.
1988	<p>Federal Family Support Act requires that states must:</p> <ul style="list-style-type: none"> • Use guidelines for setting child support (review cases every three years). • Comply with time limits for establishing orders and distributing collections. • Withhold wages for all IV-D cases as of 1990, and all child support cases as of 1994. • Use blood and genetic testing for paternity establishment in disputed cases. • Establish an automated tracking system by 1995 (extended to 1997).
1996	<p>Federal Personal Responsibility and Work Opportunity Reconciliation Act</p> <ul style="list-style-type: none"> • Requires all states to administer universal withholding. • Augments Federal Parent Locator Service (directory of new hires, financial institutions data match, national case registry all a part of Federal Parent Locator Service). • Replaces URESA with Uniform Interstate Family Support Act (UIFSA). • Requires states to revoke/suspend drivers and professional licenses. • Eliminates mandatory \$50 pass through. • Requires state plan and automated data systems. • Includes medical benefits support and childcare support.
1997	<p>Washington WorkFirst</p> <ul style="list-style-type: none"> • Enacts federal mandates from PRWORA (license suspension, FIDA matches, genetic testing, UIFSA, and state data systems).
1998	<p>Federal Child Support and Performance Incentive Act</p> <ul style="list-style-type: none"> • Establishes new performance measures and incentive payments for states. • Emphasizes child support services rather than collections.

APPENDIX 5 – EXAMPLES OF PILOT PROJECTS AND INITIATIVES IN FIELD OFFICES

Video Referral. In May 1997, the DCS office in Everett was selected by the federal government for a pilot project to test the use of video cameras for referrals from DSHS community service offices for child support services. Custodial parents were given the opportunity to talk directly with their support enforcement officer through a video link. Staff at the Everett office stated that video referrals have created an opportunity for positive, constructive interaction with new clients, which has been important in improving the Division's image. Besides referrals for support enforcement, the equipment was also used to facilitate administrative hearings, conference board hearings, and referrals for paternity establishment with the local prosecutor's office.

The project ended in November 1999, and the Everett office continues to use the equipment supplied by the federal government. Olympia, Spokane, and Vancouver are now working on plans for similar projects, funded through TANF reinvestment funds. From May 1997 to November 1999, the project processed 5,609 referrals, or about 30 percent of the total referrals to the Everett DCS office for that period.²⁶

SHARE (Support Has A Rewarding Effect). In Yakima, the Division of Child Support collaborated with the private industry council, Yakima County Department of Employment and Training, and Yakima and Kittitas County Prosecuting Attorneys on a pilot project to assist non-custodial parents in obtaining training and employment. The goal of SHARE is for the non-custodial parent to avoid contempt charges by beginning or resuming payment on their child support obligation. The Division's role is to identify and refer non-custodial parents to the prosecuting attorneys offices for contempt diversion. If the non-custodial parent cannot pay on their obligation, they may enter Welfare-to-Work if they meet the criteria. If the non-custodial parent complies with the program requirements, the courts may reduce or defer their support payments.

From June 1998 through March 1999, 196 non-custodial parents were referred to prosecuting attorneys offices. During the three months prior to referral, \$3,443 was collected from 14 paying non-custodial parents. During the three months after referral, \$14,242 was collected from 49 non-custodial parents.²⁷

Corrections Project. The Division of Child Support is collaborating with the Department of Corrections and Private Industry Councils (PICs) to refer eligible prisoners to Welfare-to-Work once they are released. The agency matches its child support registry to the Department of Corrections' database to determine if inmates are non-custodial parents as well. If they meet the eligibility requirements, they are referred to the PIC which provides skills and training through Welfare-to-Work that are considered to be a good transition from prison to society as well as a means of helping non-custodial parents find jobs and begin paying child support. Besides matching data, the Division also provides information to inmates on steps to take with the Division to establish appropriate payments on their child support obligation once they are released. Pierce and Thurston Counties are participating in this corrections pilot project.

²⁶ DCS Data.

²⁷ Private Industry Council (PIC) Data.

Devoted Dads. The Devoted Dads project, which was created to encourage fathers to participate in their children’s lives, and be financially responsible, has been operating in the Tacoma/Pierce County area since October 1998. The project is privately funded and matched by a federal grant. The project is designed to help fathers with visitation, custody, mediation, legal services, parenting classes, and employment services. Participation in the project is voluntary. However, project officials would like to see that the prosecutor’s office consider participation in the project by non-custodial fathers as a diversion from contempt for not paying child support.

Caseload Distribution. The caseload is distributed alphabetically in most DCS field offices. Each support enforcement officer has a portion of the alphabet that they work with. The Vancouver office is conducting a test of a different distribution model in which enforcement officers receive cases on rotating basis. Staff and management alike reported that they are pleased with the new system, because it is more efficient and is less likely to have a bias caseload affecting staff performance.

Paternity Outreach Team. The Vancouver office participates in a paternity outreach team consisting of representatives from Women, Infants, and Children (WIC), County Health Department, First Steps, Hospitals, and others who provide information and counseling on parenthood to high school students. DCS provides one support enforcement officer to the outreach team (20 percent FTE). As part of the outreach team, they focus on educating potential fathers that they will be responsible for paying child support, and that they should work with the Division of Child Support rather than having a default order set against them.

APPENDIX 6 – FEDERAL INCENTIVE SYSTEMS

In addition to the regular quarterly reimbursements, the federal government provides incentive payments to states based on performance. Starting in federal fiscal year 2000, the old incentive payment system based on collections and cost-effectiveness is being gradually phased out over a three-year period in favor of a new system. The new system uses a set of broader performance criteria to award incentive payments to states. Performance incentive payments are to be used to supplement, not supplant, other funds used to carry out the state child support program.

OLD INCENTIVE PAYMENT SYSTEM²⁸

Under this system, states receive a payment of 6 percent of support collected for cases under Title IV-A (public assistance) and 6 percent of support collected for cases that are non-IV-A. This percentage is adjusted to 6.5 percent if the state's ratio of collections to expenditure (including laboratory paternity establishment costs) equals 1.4, and is increased up to 10 percent of collections as shown in the table below. Incentive payments for non-IV-A collections cannot exceed 115 percent of the dollar amount of the incentive payment for IV-A collections.

The cost-effectiveness ratio for assistance collections is equal to total assistance collections divided by total expenditures for both assistance *and* non-assistance collections. Likewise, the cost-effectiveness ratio for non-assistance collections is equal to total non-assistance collections divided by total expenditures for both assistance *and* non-assistance collections. **(It should be noted that the denominator used for calculating the ratio for assistance and non-assistance collections is the same, which results in an inaccurate calculation of cost-effectiveness.)**

State Cost-Effectiveness Ratio	Incentive Payment Percentage
2.8 and higher	10.0%
1.4 to 2.6	6.5% - 9.5% (drops 0.5% for every decline of 0.2 in cost-effectiveness ratio)
Less than 1.4	6.0%

NEW INCENTIVE PAYMENT SYSTEM²⁹

The new incentive system establishes five performance areas:

1. **Paternity Establishment.** States may use either of the following two methods:
 - The IV-D paternity establishment percentage is the number of children born out of wedlock, receiving public assistance, and for whom paternity has not been established divided by the same population during the preceding year.

²⁸ Social Security Act, Sec 458. [42 U.S.C. 658]

²⁹ Social Security Act, Sec 458A. [42 U.S.C. 658A]

- The statewide paternity establishment percentage is the number of children born out of wedlock (both assistance and non-assistance) for whom paternity has not been established divided by the same population during the preceding year.
2. **Support Order Establishment.** The percentage for child support orders established is the number of orders established divided by the total number of cases.
 3. **Collections on Current Support.** It is equal to the total amount of current support collected divided by the current support owed during the same year.
 4. **Collections on Arrearages.** It is equal to the total number of cases paying toward past-due support divided by the total number of cases that owed past-due child support.

Based on a state’s performance for paternity, support orders, current payments, and arrearages, the federal government pays a percentage of the maximum allowable performance incentive as shown in the table below.

State Performance Percentage	Federal Incentive Payment
More than 80% of cases	100%
70-80%	Drops 2% for every 1% decline in state performance
50-69%	Drops 1% for every 1% decline in state performance
Less than 50%	0

5. **Cost-effectiveness.** It is the percentage of dollars collected divided by dollars expended. If a state’s ratio of collections to expenditures is 5 to 1 or greater, the state may claim 100 percent of the incentive payments. However, the state does not receive any incentive payments if the cost-effectiveness ratio is less than 2.0 as shown in the table below.

State Cost-Effectiveness Ratio	Federal Incentive Payment
5.00 or more	100%
Between 2.00 to 4.99	40 – 90% (Drops 10% for decline of 0.5 in cost-effectiveness ratio)
Less than 2.00	0

Computation of State Incentive Payments

- A state’s incentive payment is equal to the **incentive payment pool** (the total amount set side by the federal government for incentive payments for the year – e.g., for FFY 2000, this amount is \$422 million) multiplied by the state **incentive payment share**.
- The state **incentive payment share** is the state’s incentive base amount divided by sum of the incentive base amounts for all states.
- The state **incentive base amount** is the sum of applicable percentages (for establishing paternity and support order, collecting current and past-due support, and cost effectiveness) multiplied by the corresponding maximum incentive base amounts for the state.

- The **maximum incentive base amounts** are the state collections base for paternity, support orders, and current payments. For arrearages and cost-effectiveness, states must use 75 percent of the state collections base.
- **Collections base** = $2(\text{TANF\$} + \text{former TANF\$}) + \text{non-TANF\$}$.

APPENDIX 7 – LEGAL AND CONTRACTUAL ISSUES RELATED TO PRIVATIZATION

BACKGROUND

In the context of past JLARC audits of other state government operations, the legislature has posed questions about constitutional, case law, contractual, and other possible constraints to privatizing operations or programs.

For example, as part of the 1996 Department of Corrections Privatization Feasibility Study, JLARC worked with the Attorney General (AG) to identify any potential legal constraints to implementing privatization, and, if applicable, any statutory changes needed to remove such constraints.

ANALYSIS FROM THE ATTORNEY GENERAL

The AG concluded that there were no constitutional prohibitions to contracting out, but that legislative authority would have to be provided in order to contract out. The AG did not reach a definitive conclusion about what the result of a challenge would be in the event that contracting out was mandated, but there existed at the same time a collective bargaining provision against contracting out. The AG noted that a successful challenge to a contracting out statute would only bar application of the statute during the existing term of the collective bargaining agreement. The full AG analysis is included in the 1996 Department of Corrections Privatization Feasibility Study, and is available upon request.

Since the time the AG worked in cooperation with JLARC on the prison study, a 1998 court case, which was upheld on appeal, has specified that a statute requiring an agency to contract out does not override a current collective bargaining agreement that has a prohibition against contracting out.³⁰

CONTRACTING FOR PRIVATE COLLECTIONS SERVICES WITHIN THE DIVISION OF CHILD SUPPORT

As indicated on page 10 of this report, a budget proviso in the state's operating budget for 1995-97 mandated that DCS contract with private collection agencies to pursue collection of AFDC child support arrearages. There was an identical proviso in the operating budget for 1997-99. Hence, there was legislative authority for privatizing collections services in accordance with the AG's analysis.

However, at the same time, the collective bargaining agreement between DSHS and the Washington Federation of State Employees, included (and still includes) language that sets limitations on contracting out. Article 14 of that agreement states:

³⁰ See *Johanson v. DSHS*, 91 Wa. App. 737, 959 P.2d 1166, known as the "PORTAL Decision," after the PORTAL program at the Northern State Multi-service Center (Northern State) that was eliminated by DSHS in 1993.

Management retains those rights based on law or state rules and regulations to contract and subcontract work, provided that Management will not contract or subcontract work when such action will lead to the elimination or supplanting of classified positions.

The term of the current agreement expires on December 31, 2000, and is renewable on a yearly basis.

APPENDIX 8 – LIMITATION OF THE COST-EFFECTIVENESS RATIO

Example 1: Does a lower ratio indicate poorer performance and a higher ratio indicate improved performance?

Cases = **360,000**

Base Case Scenario

Total Collections	\$500,000,000	Ratio 5.00
Total Expenditures	\$100,000,000	1
Net Collections	\$400,000,000	
Net Collections per case	\$1,111	

Net Collections per Case explains whether a change in the ratio of collections to costs is an improvement or decline in performance.

Increase Scenario A

Increase Collections by 10%	\$550,000,000	Ratio 4.78
Increase Expenditures by 15%	\$115,000,000	1
Net Collections	\$435,000,000	
Net Collections per case	\$1,208	

Scenario B has a better cost-effective ratio but its net collections performance is not as good as either the Base Case Scenario or Scenario A.

Decrease Scenario B

Decrease Collections by 10%	\$450,000,000	Ratio 5.29
Decrease Expenditures by 15%	\$85,000,000	1
Net Collections	\$365,000,000	
Net Collections per case	\$1,014	

Example 2: Do two cost-effectiveness ratios that are the same mean the same thing?

Cases = **360,000**

Base Case Scenario

Total Collections	\$500,000,000	Ratio 5.00
Total Expenditures	\$100,000,000	1
Net Collections	\$400,000,000	
Net Collections per case	\$1,111	

Net Collections per Case explains whether a change in the ratio of collections to costs is an improvement or decline in performance.

Increase Scenario A

Increase Collections by 15%	\$575,000,000	Ratio 5.23
Increase Expenditures by 10%	\$110,000,000	1
Net Collections	\$465,000,000	
Net Collections per case	\$1,292	

Scenarios A and B appear to be close in terms of cost-effective ratios, and both appear to be better than the Base Case Scenario. In terms of net collections performance, however, Scenario A is clearly superior.

Decrease Scenario B

Decrease Collections by 10%	\$450,000,000	Ratio 5.29
Decrease Expenditures by 15%	\$85,000,000	1
Net Collections	\$365,000,000	
Net Collections per case	\$1,014	

APPENDIX 9 – NATIONAL PERFORMANCE DATA ON CHILD SUPPORT

This appendix includes performance information for 50 states as well as for District of Columbia, Guam, Puerto Rico, and Virgin Islands for the last four federal fiscal years (1994 – 1998). The information was obtained from the website of and the reports issued by the federal Office of Child Support Enforcement (OCSE). Information for FFY 1998 used in this appendix is still preliminary. There was no information available for FFY 1999.

This appendix includes the following six key performance measures that are commonly used by state agencies to report their performance:

1. Percent of cases with paternity established (FFY-98 information was not available)
2. Percent of cases with support orders established
3. Percent of cases with collections
4. Percent of current support collected
5. Percent of prior year support collected
6. Cost-effectiveness ratio (total amount of child support collected and distributed divided by total expenditures)

In addition, we calculated and included the *net collections per case* for all agencies. (The net collections is the total amount of child support collected and distributed minus the total expenditures.) As discussed earlier in the report on page 13, this measure should be used in conjunction with the cost-effectiveness ratio.

It should be noted that some of the information contained in this appendix for Washington does not match with the information in Exhibit 5 on page 12. This is because of three reasons: (1) Exhibit 5 uses raw data from the reports that were submitted by the Washington Division of Child Support to OCSE, (2) OCSE data has some double counting in caseload calculations, and (3) OCSE uses the current and prior year's data to calculate the paternity establishment percentage. Verifying and reconciling this national data would have required significantly more time and resources than were available within the scope of this audit.

Caution must be exercised in using this information as discussed on pages 12-13 of this report.

Percent of Cases with Paternity Established

	FFY-97 (Oct 96-Sept 97)		FFY-96 (Oct 95-Sept 96)		FFY-95 (Oct 94-Sept 95)	
	Percent	Rank	Percent	Rank	Percent	Rank
Guam	96%	1	87%	2	79%	2
Vermont	91%	2	82%	5	77%	4
Washington	89%	3	82%	5	70%	7
Virgin Islands	88%	4	53%	29	58%	22
South Dakota	86%	5	85%	3	79%	2
Maine	84%	6	76%	10	68%	10
Texas	83%	7	83%	4	49%	32
Massachusetts	79%	8	80%	8	69%	9
Alaska	76%	9	73%	12	68%	10
Wisconsin	76%	9	76%	10	76%	5
Minnesota	75%	11	70%	13	66%	15
Delaware	73%	12	NA	NA	73%	6
Georgia	73%	12	81%	7	91%	1
Iowa	72%	14	70%	13	66%	15
Michigan	71%	15	NA	NA	70%	7
New Hampshire	70%	16	62%	19	61%	19
Arizona	69%	17	56%	26	56%	26
Montana	69%	17	63%	18	40%	43
Connecticut	68%	19	66%	16	68%	10
Arkansas	67%	20	64%	17	61%	19
Maryland	67%	20	77%	9	67%	13
West Virginia	66%	22	62%	19	66%	15
Colorado	65%	23	57%	24	51%	28
Nevada	63%	24	8%	46	64%	18
Kansas	62%	25	62%	19	60%	21
Kentucky	62%	25	58%	23	58%	22
Pennsylvania	62%	25	51%	34	48%	36
Utah	62%	25	68%	15	67%	13
North Dakota	61%	29	59%	22	58%	22
New Jersey	60%	30	146%	1	51%	28
Ohio	59%	31	57%	24	49%	32
Rhode Island	58%	32	54%	28	51%	28
Missouri	57%	33	53%	29	48%	36
Nebraska	57%	33	38%	42	42%	41
Alabama	56%	35	48%	37	57%	25
Idaho	53%	36	52%	32	43%	40
Virginia	53%	36	53%	29	50%	31
Mississippi	52%	38	46%	38	24%	47
New York	52%	38	49%	35	42%	41
North Carolina	52%	38	52%	32	49%	32
Oregon	52%	38	49%	35	46%	38
South Carolina	49%	42	46%	38	45%	39
Hawaii	47%	43	55%	27	49%	32
Illinois	45%	44	40%	40	39%	44
Louisiana	45%	44	40%	40	39%	44
Wyoming	25%	46	18%	44	14%	50
New Mexico	20%	47	19%	43	19%	48
Oklahoma	16%	48	16%	45	16%	49
DC	3%	49	2%	47	NA	NA
California	NA	NA	NA	NA	31%	46
Florida	NA	NA	NA	NA	NA	NA
Indiana	NA	NA	NA	NA	54%	27
Puerto Rico	NA	NA	1%	48	NA	NA
Tennessee	NA	NA	NA	NA	NA	NA
Nationwide	61%		55%		50%	

Note: FFY-98 information was not available.

Source: Federal Office of Child Support Enforcement.

NA - Not available

Percent of Cases with Support Orders Established

	FFY-98 (Oct 97-Sept 98)		FFY-97 (Oct 96-Sept 97)		FFY-96 (Oct 95-Sept 96)		FFY-95 (Oct 94-Sept 95)	
	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank
South Dakota	94%	1	93%	1	92%	2	90%	2
Washington	89%	2	88%	2	86%	3	81%	3
Vermont	89%	3	88%	3	84%	4	80%	4
Maine	86%	4	84%	4	80%	6	78%	6
Iowa	86%	5	82%	5	78%	8	76%	8
Massachusetts	82%	6	79%	7	78%	7	74%	10
Alaska	82%	7	80%	6	78%	9	74%	11
New Hampshire	79%	8	78%	9	75%	12	71%	13
New Jersey	77%	9	74%	11	70%	18	67%	19
Utah	76%	10	73%	14	71%	17	71%	14
Missouri	76%	11	75%	10	73%	15	70%	15
Minnesota	75%	12	79%	8	78%	10	76%	9
Delaware	75%	13	73%	12	73%	14	69%	17
Montana	75%	14	70%	17	62%	25	55%	32
Nebraska	75%	15	70%	19	56%	37	57%	31
Ohio	74%	16	71%	16	68%	22	66%	22
Colorado	73%	17	68%	21	67%	23	63%	24
North Dakota	72%	18	70%	18	69%	20	67%	20
Idaho	72%	19	71%	15	77%	11	77%	7
Wyoming	70%	20	55%	35	49%	40	38%	50
New York	67%	21	64%	26	60%	30	57%	30
Kentucky	66%	22	61%	30	56%	35	54%	34
Connecticut	65%	23	64%	25	62%	28	60%	26
Pennsylvania	65%	24	69%	20	73%	13	64%	23
Virginia	65%	25	63%	27	62%	26	60%	27
Maryland	65%	26	68%	22	72%	16	73%	12
Puerto Rico	64%	27	62%	29	62%	27	53%	36
Nevada	63%	28	62%	28	61%	29	61%	25
California	63%	29	54%	36	46%	46	43%	46
Alabama	62%	30	61%	31	57%	32	57%	29
Arkansas	61%	31	73%	13	70%	19	67%	21
Kansas	61%	32	59%	32	59%	31	59%	28
Georgia	60%	33	58%	34	56%	36	49%	40
Rhode Island	59%	34	58%	33	56%	33	49%	39
North Carolina	59%	35	51%	40	49%	41	47%	43
Wisconsin	59%	36	65%	24	83%	5	79%	5
Oregon	57%	37	54%	37	53%	38	54%	35
Arizona	57%	38	32%	52	32%	52	29%	53
Guam	55%	39	67%	23	69%	21	69%	16
South Carolina	55%	40	49%	41	45%	48	42%	47
Oklahoma	54%	41	53%	38	56%	34	55%	33
Texas	52%	42	53%	39	46%	45	47%	44
West Virginia	50%	43	49%	43	47%	44	39%	49
Mississippi	50%	44	48%	44	45%	49	44%	45
DC	50%	45	40%	51	41%	50	41%	48
Hawaii	48%	46	49%	42	51%	39	53%	37
Indiana	48%	47	42%	48	63%	24	69%	18
Michigan	46%	48	47%	45	47%	42	47%	42
Louisiana	44%	49	41%	50	38%	51	38%	51
Florida	44%	50	46%	46	100%	1	100%	1
Tennessee	40%	51	42%	49	46%	47	48%	41
Illinois	30%	52	30%	53	30%	53	29%	52
Virgin Islands	26%	53	45%	47	47%	43	52%	38
New Mexico	24%	54	21%	54	22%	54	22%	54
Nationwide	60%		58%		59%		57%	

Source: Calculated by JLARC staff using Federal Office of Child Support Enforcement data.

NA - Not available

Percent of Cases with Collections

	FFY-98 (Oct 97-Sept 98)		FFY-97 (Oct 96-Sept 97)		FFY-96 (Oct 95-Sept 96)		FFY-95 (Oct 94-Sept 95)	
	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank
Vermont	45%	1	44%	1	42%	1	35%	6
Maine	44%	2	39%	3	37%	3	36%	4
New Hampshire	40%	3	38%	4	37%	4	35%	5
Minnesota	40%	4	43%	2	41%	2	40%	1
Washington	40%	5	38%	5	34%	6	33%	8
Kansas	37%	6	35%	7	34%	5	34%	7
South Dakota	36%	7	34%	8	33%	7	33%	9
Ohio	34%	8	31%	9	28%	10	28%	13
Georgia	33%	9	27%	15	20%	33	19%	33
South Carolina	32%	10	29%	12	27%	14	26%	16
Utah	31%	11	25%	19	21%	31	20%	29
Montana	31%	12	28%	13	25%	18	21%	28
Maryland	29%	13	22%	29	23%	25	23%	23
Massachusetts	29%	14	27%	17	30%	9	27%	15
California	28%	15	22%	28	17%	39	14%	45
Delaware	28%	16	27%	16	28%	11	28%	14
New Jersey	28%	17	28%	14	26%	16	24%	21
Wisconsin	27%	18	37%	6	27%	13	38%	2
North Dakota	27%	19	23%	21	24%	20	25%	18
Arkansas	26%	20	31%	11	28%	12	26%	17
Nevada	25%	21	23%	23	23%	23	22%	25
Pennsylvania	25%	22	31%	10	33%	8	31%	10
Alaska	25%	23	18%	40	18%	37	17%	36
West Virginia	24%	24	23%	22	23%	24	24%	20
Oregon	23%	25	18%	44	20%	35	19%	31
Virginia	23%	26	22%	27	23%	22	38%	3
Iowa	23%	27	21%	34	20%	32	21%	26
Puerto Rico	23%	28	25%	18	27%	15	23%	22
Hawaii	23%	29	23%	24	24%	21	25%	19
Missouri	22%	30	22%	26	21%	29	18%	34
Alabama	21%	31	22%	25	21%	28	21%	27
Guam	21%	32	21%	32	24%	19	31%	11
Arizona	21%	33	14%	50	14%	51	12%	50
Colorado	20%	34	18%	41	17%	40	15%	44
New York	20%	35	18%	42	16%	42	15%	43
Texas	20%	36	20%	35	20%	34	19%	30
Nebraska	20%	37	21%	31	21%	30	19%	32
Kentucky	19%	38	19%	39	16%	41	16%	37
Wyoming	19%	39	15%	49	14%	50	12%	49
Michigan	19%	40	16%	46	16%	44	15%	42
Connecticut	19%	41	19%	36	18%	38	16%	38
Tennessee	19%	42	11%	53	14%	49	11%	51
Oklahoma	19%	43	18%	43	20%	36	18%	35
Idaho	19%	44	21%	33	25%	17	29%	12
Louisiana	18%	45	24%	20	16%	43	13%	46
Florida	17%	46	16%	45	16%	45	16%	40
Rhode Island	17%	47	15%	48	15%	47	13%	48
Indiana	15%	48	15%	47	13%	52	10%	54
DC	14%	49	10%	54	10%	54	11%	53
Mississippi	14%	50	13%	51	14%	48	13%	47
Illinois	12%	51	11%	52	12%	53	11%	52
New Mexico	11%	52	22%	30	22%	27	16%	39
Virgin Islands	8%	53	19%	37	15%	46	15%	41
North Carolina	1%	54	19%	38	23%	26	22%	24
Nationwide	23%		22%		20%		19%	

Source: Calculated by JLARC staff using Federal Office of Child Support Enforcement data.

NA - Not available

Percent of Current Support Collected

	FFY-98 (Oct 97-Sept 98)		FFY-97 (Oct 96-Sept 97)		FFY-96 (Oct 95-Sept 96)		FFY-95 (Oct 94-Sept 95)	
	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank
Vermont	79%	1	80%	3	61%	9	57%	16
New Hampshire	68%	2	64%	6	62%	8	61%	11
New Jersey	67%	3	64%	7	58%	17	60%	12
South Dakota	66%	4	63%	11	62%	6	65%	8
Pennsylvania	64%	5	69%	5	70%	4	67%	7
Louisiana	63%	6	60%	15	60%	13	113%	2
Michigan	63%	7	64%	8	65%	5	75%	5
Oregon	63%	8	62%	13	58%	15	57%	18
Idaho	61%	9	53%	26	46%	37	45%	42
Delaware	61%	10	60%	14	62%	7	62%	9
Alaska	60%	11	49%	35	47%	33	47%	34
West Virginia	60%	12	53%	24	53%	22	50%	28
Ohio	59%	13	56%	19	60%	12	57%	17
Colorado	58%	14	48%	38	46%	38	47%	33
North Carolina	58%	15	56%	18	59%	14	59%	13
Kansas	57%	16	57%	16	53%	24	62%	10
Montana	57%	17	51%	27	39%	46	39%	48
Maine	57%	18	56%	20	57%	18	59%	14
Maryland	55%	19	49%	34	49%	29	49%	29
South Carolina	55%	20	55%	22	46%	39	48%	32
Massachusetts	54%	21	57%	17	56%	19	56%	21
Connecticut	53%	22	49%	33	47%	35	45%	41
Nebraska	53%	23	54%	23	50%	26	55%	23
Virgin Islands	53%	24	45%	41	26%	51	38%	49
Utah	52%	25	82%	2	47%	31	47%	35
Mississippi	50%	26	48%	36	46%	40	42%	43
Washington	50%	27	51%	28	51%	25	51%	26
Texas	49%	28	45%	39	48%	30	47%	38
Wyoming	48%	29	41%	45	41%	43	40%	46
Puerto Rico	46%	30	48%	37	47%	32	49%	31
Kentucky	45%	31	45%	40	47%	34	45%	40
Georgia	45%	32	44%	42	42%	42	46%	39
Alabama	44%	33	36%	50	45%	41	47%	37
Arizona	41%	34	43%	43	73%	2	56%	20
Indiana	41%	35	40%	46	21%	52	NA	NA
Virginia	41%	36	50%	30	50%	27	50%	27
New Mexico	41%	37	62%	12	40%	45	41%	45
Rhode Island	39%	38	38%	48	37%	48	38%	50
Hawaii	36%	39	32%	52	40%	44	473%	1
Oklahoma	26%	40	49%	32	46%	36	83%	3
DC	21%	41	38%	47	37%	49	41%	44
Missouri	15%	42	56%	21	55%	20	52%	25
Arkansas	NA	NA	53%	25	61%	10	58%	15
California	NA	NA	42%	44	32%	50	38%	51
Florida	NA	NA	NA	NA	NA	NA	NA	NA
Guam	NA	NA	34%	51	54%	21	55%	24
Illinois	NA	NA	49%	31	49%	28	49%	30
Iowa	NA	NA	64%	9	58%	16	56%	19
Minnesota	NA	NA	70%	4	71%	3	69%	6
Nevada	NA	NA	38%	49	37%	47	77%	4
New York	NA	NA	63%	10	60%	11	47%	36
North Dakota	NA	NA	82%	1	79%	1	39%	47
Tennessee	NA	NA	NA	NA	NA	NA	36%	52
Wisconsin	NA	NA	51%	29	53%	23	55%	22
Nationwide	51%		54%		52%		54%	

Source: Calculated by JLARC staff using Federal Office of Child Support Enforcement data.

NA - Not available

Percent of Prior Year Support Collected

	FFY-98 (Oct 97-Sept 98)		FFY-97 (Oct 96-Sept 97)		FFY-96 (Oct 95-Sept 96)		FFY-95 (Oct 94-Sept 95)	
	Percent	Rank	Percent	Rank	Percent	Rank	Percent	Rank
Missouri	87%	1	5%	40	4%	43	4%	44
West Virginia	78%	2	78%	1	79%	1	83%	1
Oklahoma	63%	3	56%	2	64%	2	71%	2
North Dakota	60%	4	19%	6	14%	13	14%	11
Nebraska	44%	5	6%	26	7%	29	7%	23
Louisiana	33%	6	49%	3	50%	4	48%	4
Washington	32%	7	27%	5	27%	7	28%	5
Georgia	16%	8	9%	16	9%	21	6%	33
Iowa	14%	9	13%	8	14%	12	15%	9
Oregon	12%	10	11%	10	10%	18	10%	16
Virginia	11%	11	43%	4	36%	6	5%	38
Ohio	10%	12	10%	12	8%	24	9%	18
Kansas	10%	13	10%	13	11%	14	12%	12
Rhode Island	10%	14	9%	15	9%	20	9%	17
South Dakota	8%	15	8%	18	9%	22	7%	28
Vermont	8%	16	8%	17	11%	16	10%	15
Indiana	8%	17	4%	42	3%	48	NA	NA
Pennsylvania	8%	18	12%	9	15%	11	16%	8
Maryland	8%	19	10%	14	9%	19	8%	20
North Carolina	8%	20	7%	24	5%	38	5%	35
New Hampshire	8%	21	7%	21	7%	27	7%	26
Maine	8%	22	4%	45	4%	46	4%	48
Arkansas	8%	23	7%	20	8%	25	7%	24
Utah	7%	24	8%	19	52%	3	52%	3
Alabama	7%	25	10%	11	17%	10	7%	25
Massachusetts	7%	26	7%	22	7%	28	6%	34
New Jersey	6%	27	7%	25	6%	33	5%	36
Colorado	6%	28	6%	33	5%	40	4%	45
DC	6%	29	5%	36	6%	35	6%	29
Idaho	6%	30	7%	23	9%	23	16%	7
Delaware	5%	31	5%	37	5%	42	5%	41
Alaska	5%	32	6%	30	4%	45	4%	46
Wyoming	5%	33	6%	31	6%	32	6%	30
Montana	5%	34	5%	34	8%	26	8%	19
Kentucky	5%	35	5%	35	6%	34	5%	37
Puerto Rico	5%	36	6%	28	6%	30	8%	22
Michigan	5%	37	5%	38	4%	47	5%	40
South Carolina	4%	38	5%	39	5%	39	5%	39
Texas	4%	39	4%	43	6%	31	6%	32
Connecticut	4%	40	3%	47	3%	49	3%	50
Arizona	3%	41	4%	44	4%	44	4%	47
Mississippi	3%	42	2%	48	2%	50	4%	43
Virgin Islands	2%	43	2%	49	19%	9	21%	6
California	NA	NA	6%	29	5%	41	6%	31
Florida	NA	NA	NA	NA	NA	NA	NA	NA
Guam	NA	NA	3%	46	20%	8	14%	10
Hawaii	NA	NA	NA	NA	NA	NA	NA	NA
Illinois	NA	NA	0%	50	0%	51	0%	51
Minnesota	NA	NA	13%	7	11%	15	11%	13
Nevada	NA	NA	6%	27	46%	5	7%	27
New Mexico	NA	NA	NA	NA	10%	17	10%	14
New York	NA	NA	6%	32	5%	36	4%	42
Tennessee	NA	NA	NA	NA	NA	NA	8%	21
Wisconsin	NA	NA	4%	41	5%	37	3%	49
Nationwide	8%		7%		8%		7%	

Source: Calculated by JLARC staff using Federal Office of Child Support Enforcement data.

NA - Not available

Cost-effectiveness: Amount Collected and Distributed for Every Dollar Spent as Expenditures

	FFY-98 (Oct 97-Sept 98)		FFY-97 (Oct 96-Sept 97)		FFY-96 (Oct 95-Sept 96)		FFY-95 (Oct 94-Sept 95)	
	Amount (\$)	Rank						
Michigan	7.18	1	6.76	2	6.63	2	7.82	2
Pennsylvania	7.06	2	7.42	1	7.74	1	8.20	1
South Dakota	6.13	3	4.62	12	5.87	6	5.27	5
Ohio	5.67	4	5.19	7	6.07	4	5.63	4
Wisconsin	5.49	5	5.81	4	5.94	5	6.09	3
Indiana	5.45	6	6.18	3	6.54	3	5.18	6
Puerto Rico	5.38	7	5.37	5	4.44	11	3.96	13
Oregon	5.29	8	4.65	11	5.60	8	4.81	7
Iowa	4.79	9	4.87	9	5.23	9	4.72	9
North Dakota	4.75	10	5.14	8	4.34	14	4.13	11
South Carolina	4.71	11	4.30	16	3.37	31	2.84	31
Nebraska	4.66	12	3.70	29	3.16	33	3.44	21
New Jersey	4.64	13	4.79	10	4.52	10	4.75	8
Massachusetts	4.58	14	4.05	22	4.05	20	3.54	17
Virginia	4.53	15	5.23	6	4.18	16	3.63	16
New Hampshire	4.50	16	4.01	24	3.42	29	2.50	37
West Virginia	4.47	17	4.03	23	3.61	26	3.24	26
Maryland	4.31	18	4.41	13	4.36	12	4.07	12
Maine	4.25	19	4.23	17	4.05	19	4.28	10
Vermont	4.20	20	3.57	31	3.79	23	2.69	35
Rhode Island	4.18	21	4.33	14	4.31	15	3.45	20
New York	4.16	22	4.01	25	4.03	21	3.39	23
Louisiana	4.03	23	4.33	15	4.16	17	3.37	24
Kentucky	3.90	24	3.80	28	3.43	28	3.21	27
Minnesota	3.85	25	4.14	18	4.36	13	3.96	14
Texas	3.76	26	3.59	30	3.71	25	3.01	28
Washington	3.74	27	4.06	20	3.53	27	3.35	25
Wyoming	3.72	28	3.34	34	2.96	36	1.76	49
Mississippi	3.69	29	3.15	35	2.87	39	2.16	45
Idaho	3.69	30	2.73	44	2.32	51	2.39	39
Georgia	3.53	31	3.88	26	3.92	22	3.50	19
Alaska	3.52	32	3.48	32	3.31	32	2.93	29
Alabama	3.40	33	4.14	19	3.41	30	2.24	41
Missouri	3.36	34	4.05	21	3.75	24	3.41	22
Tennessee	3.31	35	3.85	27	4.06	18	3.75	15
Connecticut	3.23	36	3.09	36	2.91	38	2.78	32
Montana	3.15	37	2.73	43	2.42	46	2.87	30
Colorado	3.11	38	3.07	37	2.82	40	2.54	36
Oklahoma	3.10	39	3.03	39	3.06	35	2.70	34
Kansas	3.05	40	3.06	38	5.82	7	1.69	50
Florida	3.04	41	3.45	33	3.13	34	3.53	18
Utah	3.03	42	2.84	41	2.66	42	1.96	48
Nevada	2.90	43	1.61	53	2.53	44	2.08	46
Arkansas	2.88	44	1.98	51	2.77	41	2.75	33
North Carolina	2.86	45	2.83	42	2.94	37	2.40	38
Virgin Islands	2.67	46	2.43	46	2.25	52	0.86	54
Arizona	2.66	47	2.69	45	2.42	47	1.48	52
California	2.66	48	2.29	48	2.36	50	2.17	44
Hawaii	2.60	49	2.35	47	2.18	53	2.36	40
Delaware	2.55	50	2.23	49	2.50	45	2.23	42
Illinois	2.50	51	2.05	50	2.41	48	2.23	43
DC	1.98	52	3.01	40	2.38	49	2.03	47
Guam	1.72	53	1.89	52	2.57	43	1.33	53
New Mexico	1.59	54	1.45	54	1.43	54	1.54	51
Nationwide	4.00		3.89		3.93		3.59	

Source: Calculated by JLARC staff using Federal Office of Child Support Enforcement data.

NA - Not available

Net Collections Per Case

	FFY-98 (Oct 97-Sept 98)		FFY-97 (Oct 96-Sept 97)		FFY-96 (Oct 95-Sept 96)		FFY-95 (Oct 94-Sept 95)	
	Amount (\$)	Rank						
Minnesota	1,089	1	1,072	1	1,026	1	939	1
Pennsylvania	1,022	2	934	3	943	3	896	2
Ohio	1,007	3	905	4	860	6	805	4
New Jersey	946	4	859	7	739	8	707	7
New Hampshire	923	5	830	8	727	10	574	13
Massachusetts	897	6	805	9	896	4	735	5
Vermont	894	7	885	5	964	2	690	8
South Dakota	862	8	732	12	730	9	660	9
Washington	860	9	874	6	778	7	730	6
Wisconsin	859	10	984	2	895	5	869	3
Maryland	856	11	613	16	584	15	552	14
Maine	806	12	667	13	611	14	579	12
Alaska	776	13	800	10	721	11	639	10
Nebraska	758	14	611	17	496	23	460	19
Iowa	705	15	655	14	629	13	587	11
North Dakota	698	16	564	21	500	22	518	17
West Virginia	685	17	629	15	549	16	429	22
Oregon	634	18	548	22	539	17	490	18
Montana	610	19	508	24	400	31	380	26
Utah	594	20	477	27	424	28	283	40
Michigan	576	21	575	20	516	20	540	15
Kansas	567	22	543	23	644	12	308	34
Hawaii	563	23	490	25	482	24	532	16
South Carolina	554	24	468	29	377	35	306	36
Indiana	539	25	425	30	274	46	181	47
Nevada	538	26	275	50	426	27	350	27
Virginia	520	27	585	18	506	21	451	20
Puerto Rico	520	28	585	19	536	18	380	25
Missouri	497	29	762	11	521	19	450	21
New York	489	30	471	28	406	30	340	29
Idaho	450	31	364	39	340	40	381	24
Rhode Island	440	32	419	31	394	32	298	37
Colorado	440	33	394	37	350	38	285	39
Kentucky	439	34	407	33	319	42	295	38
Oklahoma	437	35	395	36	418	29	340	28
Delaware	421	36	362	40	378	34	314	32
Connecticut	419	37	407	34	349	39	321	31
Wyoming	410	38	301	47	267	47	161	49
California	409	39	290	48	241	50	196	44
Texas	407	40	490	26	472	25	406	23
Georgia	406	41	403	35	385	33	338	30
North Carolina	390	42	417	32	372	36	307	35
Louisiana	385	43	357	41	321	41	249	42
Florida	346	44	366	38	276	45	263	41
Alabama	332	45	350	42	288	43	211	43
Guam	305	46	339	43	457	26	191	45
Arkansas	290	47	328	44	369	37	312	33
Mississippi	283	48	241	51	203	51	128	51
Arizona	274	49	305	46	245	48	107	52
Tennessee	264	50	276	49	243	49	185	46
Illinois	242	51	185	53	200	52	167	48
New Mexico	179	52	143	54	116	54	102	53
DC	151	53	191	52	160	53	141	50
Virgin Islands	136	54	327	45	286	44	(74)	54
Nationwide	547		521		464		408	

Source: Calculated by JLARC staff using Federal Office of Child Support Enforcement data.

NA - Not available